

HOW NPD'S SALES TERRITORY REPORTING HELPED A BEAUTY BRAND'S SALES TEAM IMPROVE THEIR ROI (AND GET BIGGER BONUSES)



THE BUSINESS CHALLENGE

A strong Sales function is critical to success – particularly when distribution spans multiple retailers and markets.

When growth is good, management looks to the Sales teams to keep it going; when revenue slips, they're on the front lines to reverse the slide.

Sales teams must make *every investment dollar count* by returning incremental profit to the bottom line. And the pressure to do more with less intensifies each year.

Our client, a leading beauty manufacturer and licensor, was experiencing a sales slowdown despite healthy category growth. The Sales team knew what had to be done, but wanted fact-based confirmation before requesting the additional resources necessary to help turn things around.



HOW WE HELPED

We used our **Sales Territory Reporting** to put facts on the ground—to pinpoint the source of the sales decline and provide the Sales team with data-driven support for a resource re-allocation plan.

Our solution was straightforward: we aligned our client's store roster with our store-level point-of-sale (POS) database. Now we could see competitor sales within each territory and determine where more help was needed to successfully defend share.

Territory by territory, we benchmarked POS sales to identify competitive threats, idiosyncratic local market dynamics, and growth opportunities.

We brought in detailed Census information to profile each territory demographically. Our goal: provide exactly the visibility needed to help our client better tailor its assortment—and field support teams—to its selling areas and the people who shop there.

NPD'S SALES TERRITORY REPORTING: HOW IT WORKS



This is an illustrative case study, inspired by our actual work with clients, but fictionalized to protect client confidentiality.

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WHAT WE FOUND

Our report validated the Sales team's suspicions. Our client's brands were underperforming in multicultural territories, indicating a need for more effective marketing outreach to specific ethnic groups. Two key competitors were expanding distribution, which we highlighted as a territory-specific threat. And something caught our eye while mapping our findings:

The farther a territory was from our client's corporate home base, and the geographically larger the territory, the poorer its brands performed relative to the competition.

NPD'S ANALYTIC SOLUTIONS GROUP

NPD's Analytic Solutions Group includes a team of senior leaders with extensive experience developing and delivering analytic solutions that address strategic marketing, sales, and planning issues. By investing in its information infrastructure and establishing new retailer partnerships, NPD now collects and delivers more granular information. And by combining its unique data assets and industry expertise with state of the discipline research techniques and proprietary solutions, NPD is equipped to answer clients' most pressing business questions.

WHAT WE RECOMMENDED

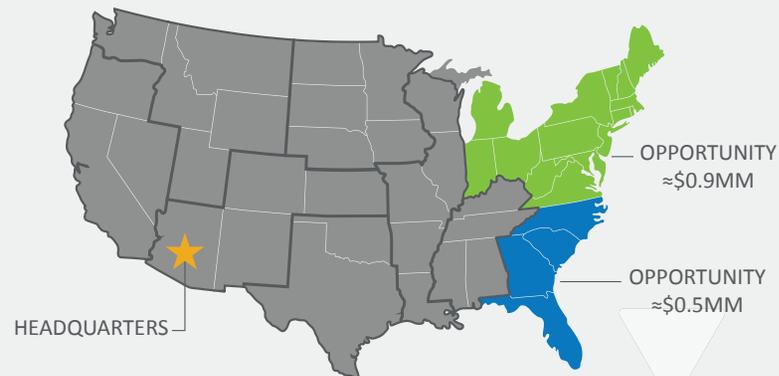
We advised our client to allow its sales force to concentrate on two niche brands in territories with a higher penetration of urban markets (which were also tourist destinations). In two ethnically diverse territories, we recommended investing more in on-the-ground training for counter associates and beauty experts, and adding in-aisle and on-counter collateral, to further deepen customer engagement.

We also inquired about the "distance-to-corporate" phenomenon, suggesting it would be worth adding personnel in those larger territories. Then the sales team could visit each store more frequently, reinforce relationships, and make a greater impact at retail.

We delivered the relevant facts in a simple, straightforward report, making it easily accessible to salespeople in the field and management at corporate headquarters.

The result? Our client's sales team transformed its approach and realigned its team. This contributed to a double-digit sales increase in lagging markets over the next two fiscal periods.

WE SUGGESTED ADDING PERSONNEL IN THESE TERRITORIES



LEARN MORE

Contact your NPD account representative, call 866-444-1411, or email contactnpd@npd.com.